### Headquarters U.S. Air Force

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# Air Force Renewable Energy Programs April, 2011 FUPWG

"Make Energy a Consideration in All We Do"







Ken Gray P.E. HQ AFCESA /CENR



### **Topics**

- Air Force Energy Use
- Air Force Facility Energy Center
- Current RE Generation
- Project Development System
- Programmed RE Generation FY11-13
- Goal Achievement



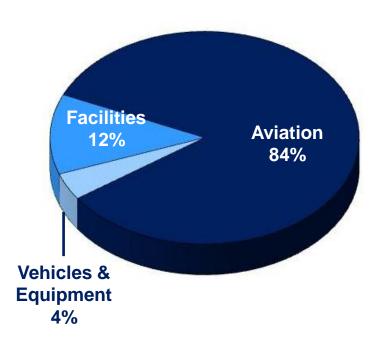


## Air Force 2010 Energy Use

#### **Energy Cost and Consumption Trends**

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#### **Energy Cost Breakdown**



The Air Force spent approximately \$8.2 billion for energy in 2010; an increase of 22% from 2009

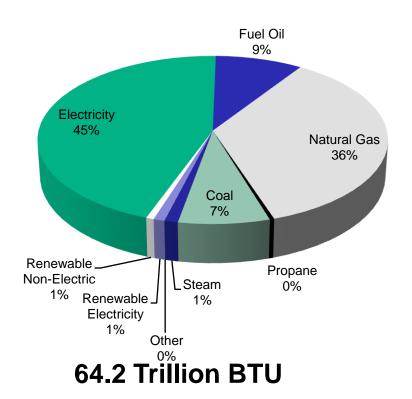




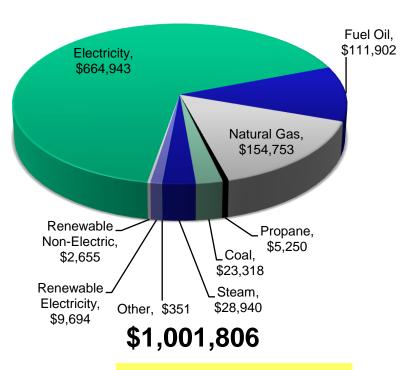
# FY10 Air Force Facility Energy Use/Cost

#### **FY10 ENERGY USE**

#### **FY10 ENERGY COST (\$000)**



**67.7 Trillion BTU in FY09**5.1% Decrease From FY09



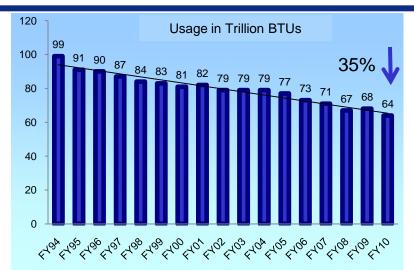
**\$1,131,243.80 in FY09** *11.4% Decrease From FY09* 

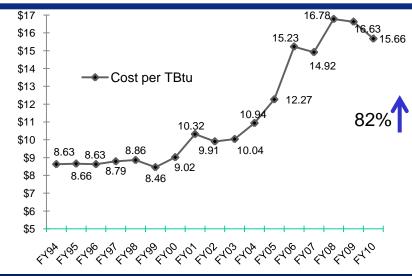


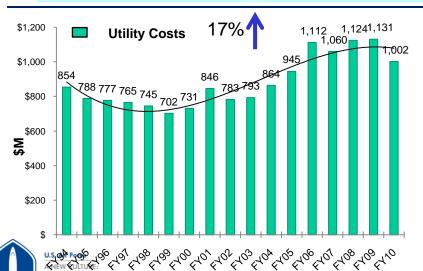


### Facility Energy Cost Trend

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#### Over the last 16 years:

#### **AF Utility Costs trend upward:**

- 35% consumption reduction does not overcome 82% unit cost increase
- 35% consumption reduction translates to \$517M cost avoidance in FY10

#### **Good News in FY10:**

 Costs down 13% from FY09; 6.25% less consumption coupled with 6.75% commodity cost decrease



## AF Civil Engineering Support Agency

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# AFCESA Energy Division -Facility Energy Center

- AF funding focused on conservation and capital investment for existing facilities
- Evaluate and then codify applications of proven and accepted technologies to meet AF energy objectives
- Existing, permanent facilities focus
- Develop renewables for clean reliable energy, meet mandates
- Incorporate emerging technology into Air Force facility standards as provided by AFRL





### AFFEC Vision Statement

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#### Renewable Technologies

- Solar
- Wind
- Biomass
- Landfill Gas
- Geothermal
- Ocean
- Hydropower
- Waste to Energy
- Ground Source Heat Pumps







### Renewable Energy Goals and Strategy

- First Priority: Develop on-site renewable resources
  - Direct AF investment (ECIP or SRM/NRG)
  - Renewable Energy Power Purchase Agreements (REPPAs)
  - Utility/Third Party Funded
- Second Priority: Procure renewable power from off-site resources delivered over the power grid
- Third Priority: Purchase Renewable Energy Certificates (RECs)
  - Replacement RECs
  - Goal Attainment





### Renewable Energy Power Purchases Agreements (REPPA)

- REPPA advantages over direct AF funded projects
  - REPPA Developer can hold and sell RECs in the marketplace
  - REPPA Developer can leverage RE incentives and tax benefits
  - REPPA Developer/Utility respond to State driven Renewable Portfolio Standard (RPS)
- Direct funded projects are less economical than REPPA
  - AF cannot currently sell RECs or leverage benefits
  - AF must maintain and operate

**REPPA** provides lower cost energy solutions.





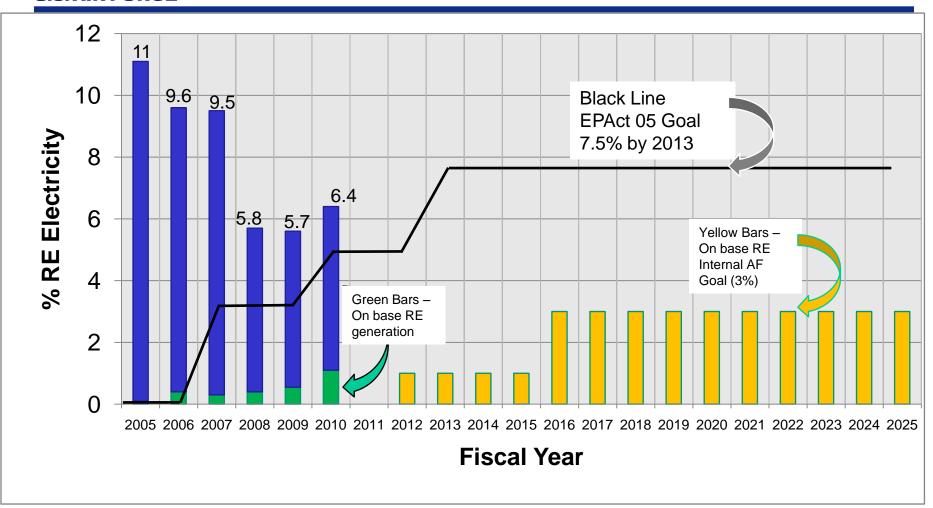
### Why Not Invest More on Govt Owned RE??

- RE goal: 25% of AF electric consumption by 2025
  - AF used 9,000,000 MWH in 2009
  - 25% is 2,250,000 MWH requirement
- 14.2 MW Nellis PV produces: 28,570 MWH
  - Nellis project cost: \$100M
  - # Nellis-size projects needed: 78.75 (140 acres each)
- Cost to produce 25% via PV: \$7.9B capital investment
  - Assumes hours sunlight & efficiency equal to Nellis
  - Not feasible in many locations in the US
- Other
  - Buckley PV \$7.3M/1MW Output: 1,456 MWhr/Yr (est)
  - MMR Wind \$4.5M/1.5MW Output: 4,599 MWhr/Yr

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### Renewable Power Status EPACT 2005







# Operational On-Base (Top Ten) Renewable Electric Generation

	Tech	Status	Generation MWH/yr
NELLIS AFB, NV	Solar Photovoltaic	Fully Operational	33,933
HILL AFB, UT	Landfill Gas	Fully Operational	15,113
F E WARREN AFB, WY	Wind	Fully Operational	8,725
ASCENSION	Wind	Fully Operational	7,095
TOLEDO ANG, OH	Solar Photovoltaic	Fully Operational	1,006
YOSEMITE AG, CA	Solar Photovoltaic	Fully Operational	942
CAPE COD AFS, MA	Wind	Fully Operational	821
JB MCGUIRE/DIX/LAKH	Solar Photovoltaic	Fully Operational	760
MARCH AFB, CA	Solar Photovoltaic	Fully Operational	732
LUKE AFB, AZ	Solar Photovoltaic	Fully Operational	596
Total - Operational on-base	26 Project Total		71,366





# Renewable Energy Projects Awarded & In Construction

Initiative	Source	Cap KW	Bus Case	NEPA	Engy Sec	Eval prop	%Base Energy	Award
AF Academy, CO	PV	6,003	✓	✓	2	✓	11%	2009
Camp Perry ANG, OH	PV	150	✓	✓	2		60%	2010
Los Angeles AFB, CA	PV roof	225	✓	✓	2		2%	2010
AF Academy, CO	PV	550	✓	✓	2	✓	1%	2010
Moron AFB, Spain	PV	1,100	✓	✓	2	✓	35%	2010
Edwards AFB, CA	PV	3,500	✓	✓	2	✓	10%	2010
Davis Monthan, AZ	PV	14,500	✓	✓	2	✓	35%	2010

Energy Security: L1, 24/7 resource, conn to base grid directly; L2, Intermittent resource, conn to base grid directly L3 – Intermittent resource, not connected to base directly; Does not account for smartgrid or microgrid

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# Renewable Electrical Energy FY 11-12

Initiative	Sourc e	Cap KW	Bus Case	NEPA	Engy Sec	Eval prop	%Base Energy	Est Award
Luke AFB, AZ	PV	17,000	✓	✓	2	2011	47%	2011
Pave Paws, Eldorado, TX	Wind	9,000	2011	✓	3	2011	TBD	2011
McConnell AFB, KS	Wind	6,000	2011	2011	2	2011	25%	2011
Dyess AFB, TX	WTE	5,400	✓	2011	1	2011	75%	2011
Cape Cod AFS , MA	Wind	3,000	✓	2010	2	2011	75%	2011
Sheppard AFB, TX	PV	3,000	2011	2011	2	2011	10%	2011
Pave Paws MMR, MA	Wind	3,000	✓	2010	2	2011	70%	2011
JB MDL Lakehurst, NJ	PV	1,500	2011	✓	2	2011	10%	2011
JB MDL McGuire, NJ	PV	1,500	2011	2011	2	2011	10%	2011
Cheyenne Mtn, CO	PV	1,000	✓	✓	2	2011	7%	2011
Burlington ANGB, VT	PV roof	918	✓	✓	2	2011	TBD	2011
Atlantic City ANG, NJ	PV	750	✓	✓	2	2010	48%	2011
Ft Stewart ANG, NY,	PV	750	✓	2011	2	2011	20%	2011

Energy Security: L1, 24/7 resource, conn to base grid directly; L2, Intermittent resource, conn to base grid directly

L3 – Intermittent resource, not connected to base directly; Does not account for smartgrid or microgrid THINK GREEN, BUILD GREEN,





# Renewable Electrical Energy FY 11-12

Initiative	Source	Cap KW	Bus Case	NEPA	Engy Sec	Eval prop	%Base Energy	Est Award
Tin City LRRS	Wind	250	✓	✓	2	✓	60%	2011
Rosencrans ANG, MO	PV	160	✓	✓	2	✓	15%	2011
Altus AFB, OK	Wind	50	✓	✓	2	✓	0.30%	2011
Nellis AFB, NV	PV	17,000	✓	✓	2	2012	21%	2012
Beale AFB, CA	LFG	4,000	✓		1		57%	2012
Los Angeles AFB, CA	PV roof	355	✓	✓	2		3%	2012

Energy Security: L1, 24/7 resource, conn to base grid directly; L2, Intermittent resource, conn to base grid directly L3 – Intermittent resource, not connected to base directly; Does not account for smartgrid or microgrid

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# Renewable Electrical Energy

Initiative	Source	Cap KW	Bus Case	NEPA	Engy Sec	Eval prop	%Base Energy	Est Award
Vandenberg AFB, CA	Wind	48,000			2			2013
Eglin AFB, FL	Biomass	25,000	✓	✓	1	2011		2013
Whiteman AFB	WTE	3,000			1	2012	10%	2013
Goodfellow AFB, TX	PV	2,000			2		9%	2013
Cape Romanzof LRRS	Wind	500	✓		2			2013
Cape Lisburne LRRS	Wind	500			2			2013
Cape Newenham LRRS	Wind	500	✓		2			2013

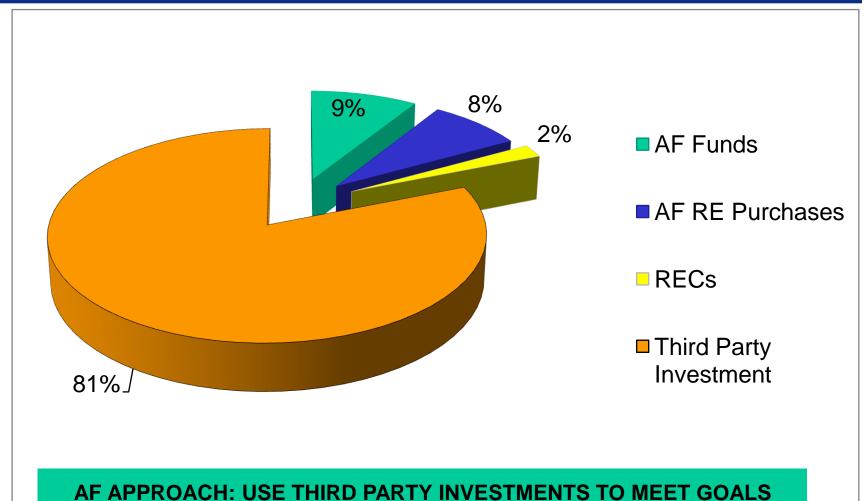
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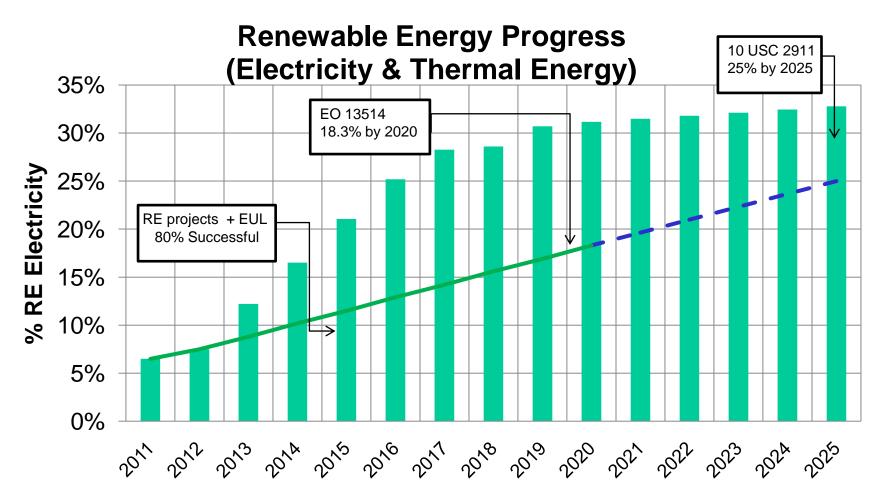


### Renewable Energy Fiscal Strategy Requirements





### Renewable Energy Goals





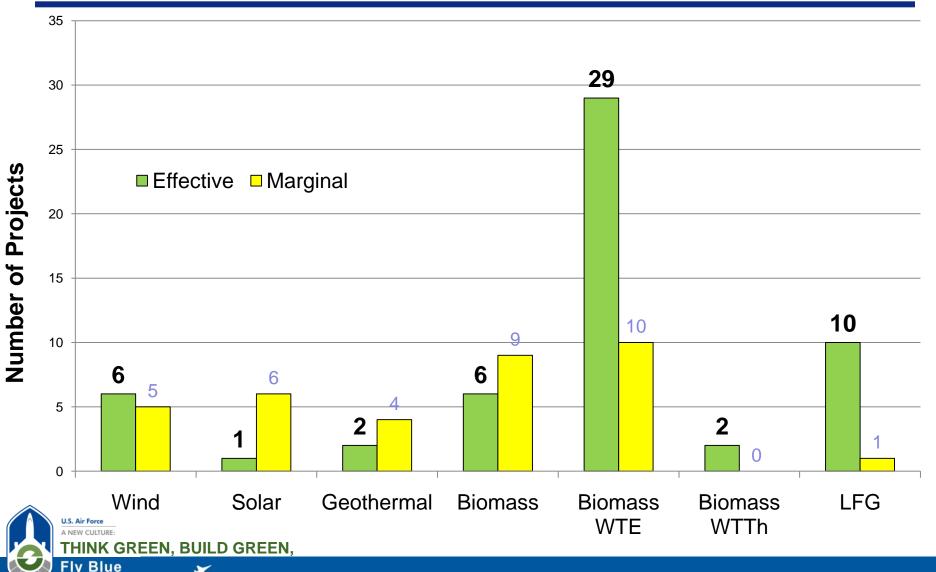
#### Renewable Project Development

- Feasibility Study:
  - Looks at renewable energy types e.g. wind, solar, biomass, biogas...
  - No base specific info- land available, mission, siting
- Opportunity Assessment: IDs Base requirements e.g. mission impact, environmental, land availability, incentives...
- Business Case Analysis: crunch the numbers of project details e.g. costs, method of execution, simple payback...



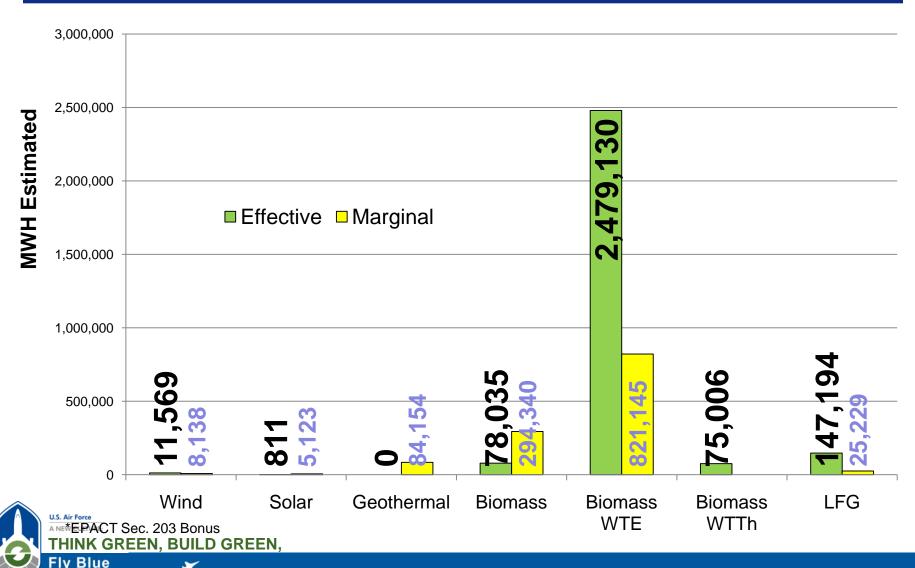


# Early RE Feasibility Results Opportunity by Technology





# Early RE Feasibility Results Estimated Energy Production





### Waste to Energy Way Ahead

- Brief and review with Sr. AF Leadership
- Develop Dyess AFB WTE as initial project
- Establish best practices with AFRL, others

Execute BWTE Opportunity Assessments in FY11, est compl May

2011

NM	Cape Canaveral AFS	FL
OK	Travis AFB	CA
ОН	McGuire AFB	NJ
MS	Patrick AFB	FL
AK	Luke AFB	AZ
IL	Laughlin Air Force Base	TX
MD	Tonopah Aux Airfield	NV
FL	Los Angeles AFB	CA
TX	Homestead ARB	FL
AL	Westover ARB	MA
	OK OH MS AK IL MD FL TX	OK Travis AFB OH McGuire AFB MS Patrick AFB AK Luke AFB IL Laughlin Air Force Base MD Tonopah Aux Airfield FL Los Angeles AFB TX Homestead ARB





# Challenges with Utility Solutions

- Timely resolution of utility company involvement under 40 USC 591
  - 40 USC 591 requires compliance with State law, use of jurisdictional provider
  - Requests for support with renewable projects need a timely response on utility interest - AFCESA position 120 days reasonable
  - Negative Utility response allows Air Force to seek SAF approval to competitively procure
- Resolution on mutual areas of benefit and execution
  - Development of project and categorizing within rate base, dispatch method and other issues
  - Challenges with biomass in the Southeast





# Challenges with Utility Solutions

- Development of RE with utility company
  - Perception of lack of competition to the public
- New Buy American requirement for PV panels
  - NDAA 2010, sec 846
  - Any ESPC, UESC, Utility Service, land lead
  - Ownership test
    - Installed on DoD property
    - Reserved for exclusive use of DoD for economic life of device





### AF Renewable Energy Symposium

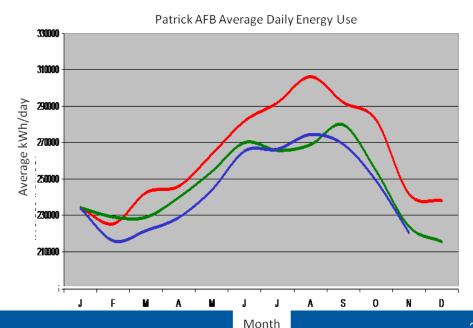
- Next planned industry engagement on AF renewable strategy/plan
- Davis Monthan AFB, AZ
- June 28-29, 2011
- Details being finalized for release
- Air Force would like Utility Company involvement
- Major role for utility companies as jurisdictional provider, first right for project development







- Reinvigorating Program--New AF Policy allows 3<sup>rd</sup> Party financing
  - Encouraging AF installation engagement
- Centralized management by AFCESA Conservation Branch
  - Projects do require AFCESA/CEN Approval
  - POC is Mr. Les Martin, 850-283-6475
- "Win-Win" for Utility Co. & AF to hold down utility costs
- "Mutually beneficial long-term partnership with known entity
- Helps meet Federal Energy Goals and cut costs!



**—2007 —2008 —2009** 



### Demand Response Programs

- AF installations encouraged to participate and use as able
- Balance benefit from peak-shaving cost savings against the associated expense of mission impact
- Funds must be returned as a bill credit through the Utility Co., per NDAA 2010, USC 2919
  - Demand response aggregator/curtailment service providers may be an Electric Utility Co., an Independent System Operator (ISO), a State agency, or a third-party entity
- Federal government cannot accept terms that impose a penalty for non-participation in a curtailment event -- Not allowed under the Federal Acquisition Regulation (FAR).





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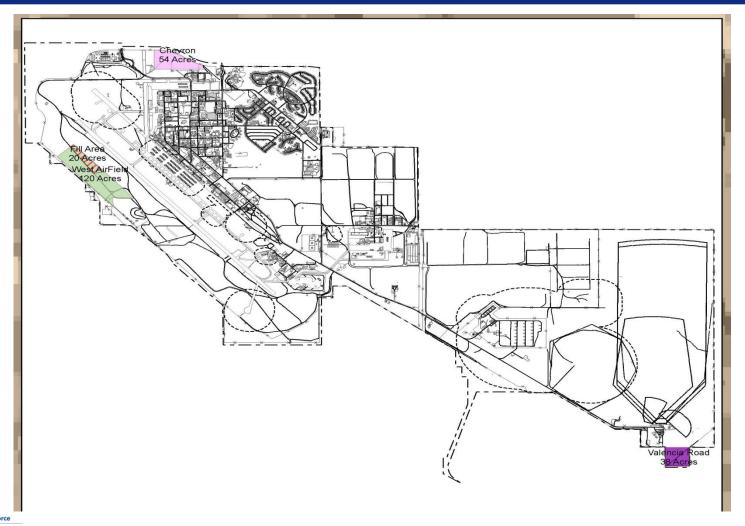
# Davis Monthan PV Array Case Study

- Initial effort to build Waste to Energy at DM met resistance and was unsuccessful
- Reopened discussion with Tucson Power on a solar array, TPE declined to participate and provide requested renewable power
- May 08- began acquisition planning
- Jul 08- issued RFP
- Jan 09- Cancelled RFP
- Dec 09 Environmental Assessment Completed
- Jan 10 RFP Reissued
- Apr 10 Received proposals
  - Sep 10- Awarded to Sun Edison

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# Davis Monthan PV Array Case Study





# Davis Monthan PV Array Case Study

- Sun Edison will
  - Design, construct, own, operate, maintain 14.5 MW PV array
  - Sell power to DM AFB at \$0.045/kWH with 1.5% annual esc
  - Sell RECs to Tucson Electric Power to offset DM AFB kWH costs
- Davis Monthan AFB will
  - Provide land for the array through a land use document
  - Sign a standard utility purchase contract with Sun Edison
- Average savings of \$500K/ year
- Will provide ~ 35% of base electricity needs





# Davis Monthan PV Array Case Study Lessons Learned

- Establish land ownership early
- REC sale issue had to be considered
- Air Force internal site approval/mission impact takes time
- NEPA
  - Must be well coordinated at beginning
  - Typically longest presolicitation requirement
  - Rework and delay for additional Fish and Wildlife Study
- State law and regulation very critical
  - AZ Constitution restriction on sale of electricity only to regulated entities
  - Net metering allowed larger project economically





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# Secretary of the Air Force Installations, Environment & Logistics





## Assistant Secretary, Installations **Environment & Logistics**

#### SAF/IE

ASSISTANT SECREATARY OF THE AIR FORCE (INSTALLATIONS, ENVIRONMENT & LOGISTICS)

The Honorable Terry A. Yonkers

Military Assistant Col Calvin Williams **Executive Officer** Lt Col Ben Spencer

#### SAF/IEI

DEPUTY ASSISTANT **SECRETARY** (INSTALLATIONS)

Ms Kathleen Ferguson

#### SAF/IEL

DEPUTY ASSISTANT **SECRETARY** (LOGISTICS)

Mr Scott Reynolds

#### SAF/IEE

**DEPUTY ASSISTANT SECRETARY** (Environment, Safety and Occupational Health)

Mr Tim Bridges

#### SAF/IEN

DEPUTY ASSISTANT SECRETARY (Energy)

Dr Kevin Geiss

**BRAC PMO** 

DIRECTOR

Col Joe Morganti

**AFRPA** 

**DIRECTOR** 

Mr. Robert Moore





# SAF/IEN (Energy)

Mission: Provide policy, guidance, analysis and oversight for implementing the AF Energy strategy, ensuring energy program governance, and advocate for budget requests to address the Air Force's \$9 Billion energy bill

- Advance efforts to reduce demand, increase supply, and create cultural change to make energy a consideration in all AF ops
- Support SAF/IE and USECAF (AF Senior Energy Official)
- Reduce demand (increase conservation, operational refinements)
- Increase supply (facilitate alternative fuel/energy & renewables)
- Change culture (indoctrination, education, training, reviews)



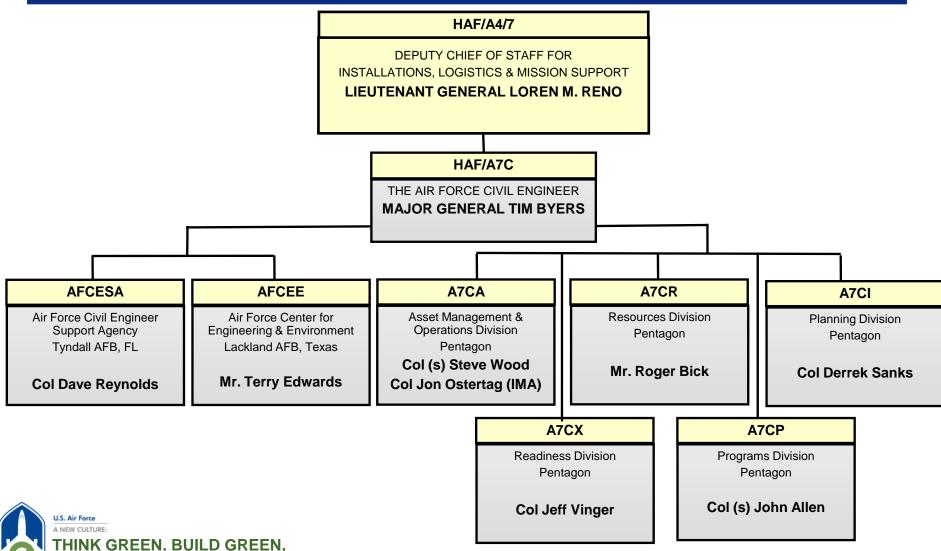






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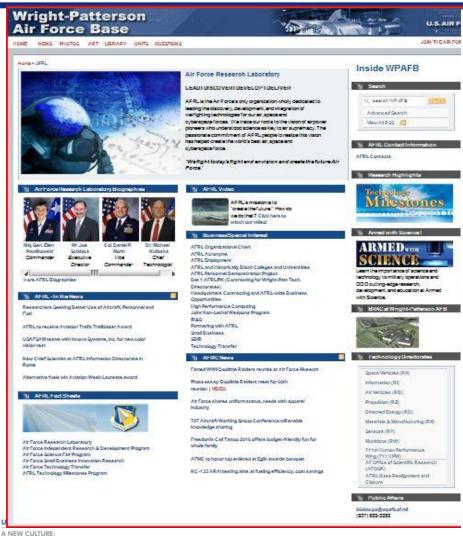
# Logistics, Installations and Mission Support





## Air Force Research Laboratory

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#### AFRL Role

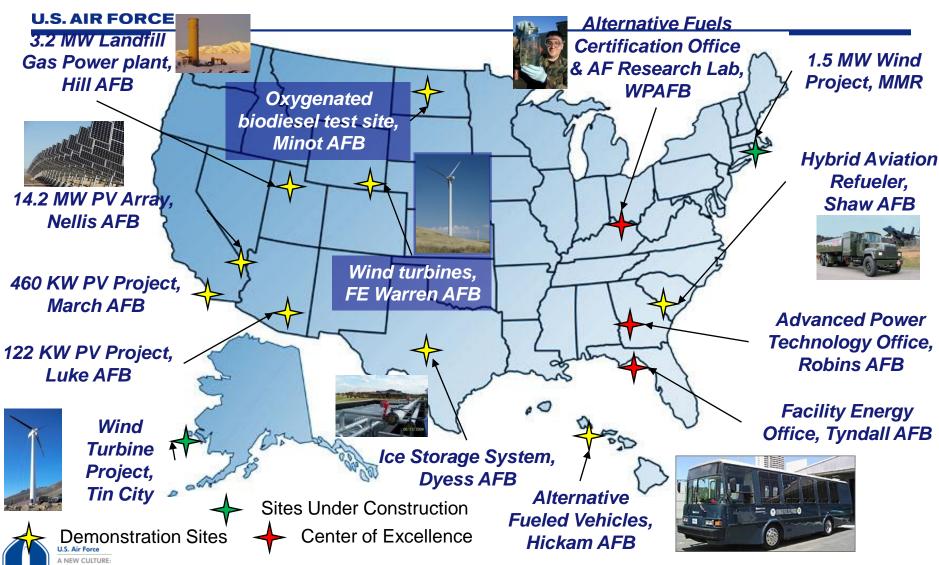
- Investigate and evaluate new and emerging technology
- Adapt and demonstrate in Air Force applications
- Expeditionary, Enduring and Permanent facilities
- Evaluates and adapts demonstrated technology to Air Force applications





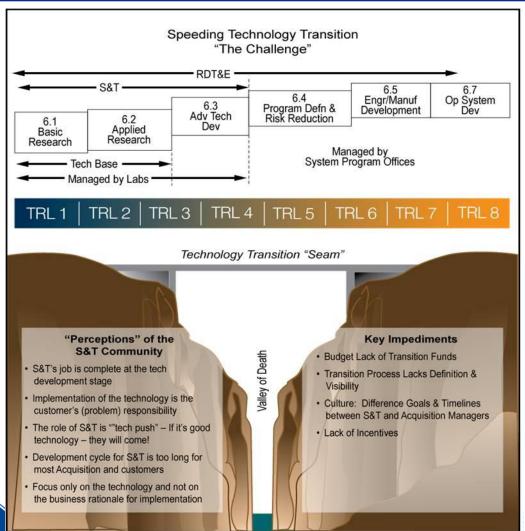
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# New Technology Work





# AFRL Challenge



# Overcome (avoid) the valley of death and enable alternative technology/solution implementation:

- Continuous TRL/MRL progression (from 6.1 through 6.7)
- Direct link to appropriate stakeholders
- Consider all impacts –
   performance, readiness,
   policy, cost, environment,
   safety, etc.



# Mission Objectives

#### **APTO Mission Statement**

Enable the transition and integration of advanced power and alternative energy technologies into the USAF's inventory of ground vehicles, aerospace ground support equipment, Basic Expeditionary Airfield Resources, and base infrastructure through the progression of TRLs while ensuring environmental responsibility.

3search Development

Testing

Evaluation



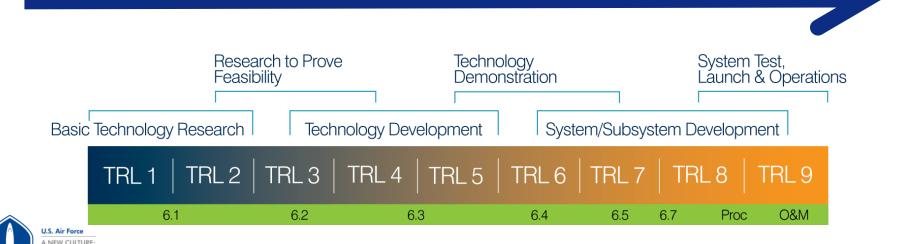


# Technology Approach

- Identify Technologies and Applications
- Assess Applicability
- Mature Performance
- Demonstrate and Validate
- Transition

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# **Applied Example:**Towbarless Vehicle

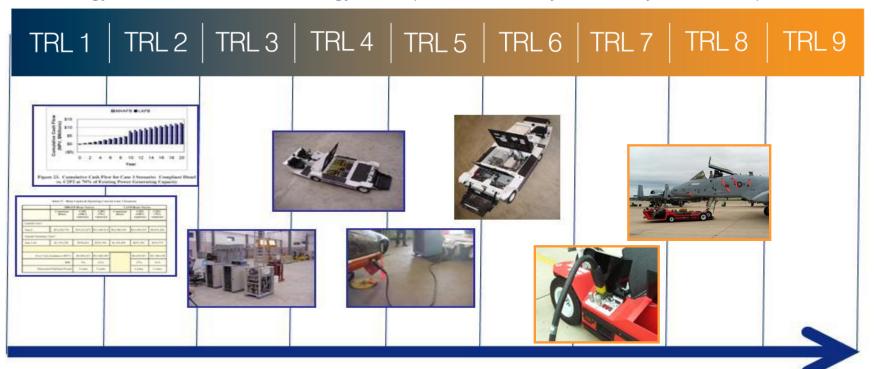
Research to Prove Feasibility

Technology Demonstration System Test, Launch & Operations

Basic Technology Research

Technology Development

System/Subsystem Development







# Air Force Center for Engineering and Environment

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#### AFCEE Role

- RE Technology Types Emerging, Proven and accepted
- Use for Environmental Restoration and MILCON construction
- Types of Facilities Remediation, Permanent
- Support work for Environmental Analysis and Impact studies





#### **Points of Contact**

Position		(850) 283-XXXX
Branch Chief	Ken Gray PE	6357
Subject Matter Expert	<b>Gerald Doddington PE</b>	6222
Project Manager	Mike Giniger PE	6168
Project Manager	Dick Fillman PE	6463
Project Manager	Rafael Marquez PE	6342
Utility Rates Mgr	Nancy Coleal PE	6295

AFCESA/CENR 139 Barnes Drive Tyndall AFB, FL 32403

Remember: 1-888-AFCESA1





# Meeting Renewable Energy Goals

#### Renewable Energy Requirements in MWh (equiv)

	FY11	FY12	FY13	FY14	FY15	FY16
RE Goals	6.5%	7.5%	8.8%	10.2%	11.5	12.9%
RE energy required	1,229,560	1,390,348	1,598,715	1,815,995	2,006,496	2,205,750

#### Mechanism to reach RE goals in MWh

	FY11	FY12	FY13	FY14	FY15	FY16
On-base RE produced	300,026	321,730	448,044	941,633	1,309,597	1,387,852
ECIP/SRM /ARRA On-base Projects	21,704	19,210	187,795	4,389	2,569	-
Commercial Bundled RE Purchases	141,055	141,055	161,305	161,305	161,305	161,305
Utility/third party On-base RE Projects	-	107,103	305,794	363,575	75,686	6,307
RE ENERGY PRODUCED	462,785	589,098	1,102,938	1,470,902	1,549,157	1,555,464
Repl REC Purchases (non additive)	0	107,103	446,830	703,302	473,194	115,926
Goal REC Purchases	766,775	801,250	189,983	345,093	457,339	650,286





# Renewable Energy Fiscal Strategy Requirements

	FY10	FY11	FY12	FY13	FY14	FY15	Totals
Project Type	\$M	\$M	\$M	\$M	\$M	\$M	\$M
ECIP/SRM/ARRA On-Base Project	8.00	4.85	17.20	3.40	11.12	0.00	44.57
Direct Combined RE Purchases	5.30	6.20	6.60	6.80	7.20	7.50	39.60
Third party On-Base Projects	52.20	229.90	43.00	63.90	10.10	0.00	399.10
Purchase RECs	0.20	0.27	1.20	1.65	2.46	3.57	9.35
Totals AF Only	13.50	11.32	25.00	11.85	20.78	11.07	93.52
Total – All Sources	65.70	241.22	68.00	75.75	30.88	11.07	492.62

**OVER 80% OF RE INVESTMENTS WILL BE THIRD PARTY INVESTMENTS** 





# Project Challenges

#### 40 USC 591

- Requires Federal entities to conform to state utility regulations
- First required to reach agreement with local regulated provider
- Utility Contract Term
  - Currently only options are 10 year or indefinite term
  - Longer authority (30 yr) would allow better financing arrangements





# Project Challenges

- Renewable Energy Certificate Sales
  - DoE policy no allowance toward goal if RECs are sold
  - Lack of statutory authority for services to sell RECs
- Value of Energy Security
  - No guidance to assign value of energy security benefit
  - Establishing economic value will increase viability
- Lack of Transmission Service
  - Wheeling from remote sites may not be available
  - Transmission fully subscribed
- Use of BLM Withdrawn Land
  - Energy generation may not be considered military use





## Project Challenges

#### Environmental Impacts

- Need balance between impacts and renewable energy benefits
- Difficult to complete NEPA with some technologies which are not specific until after award
- NEPA must normally be completed before solicitation





# Industry Challenges

- Energy storage for intermittent generation (solar, wind)
- Utility standby charges for intermittent generation
- Coordination of RE projects and mission impact beyond AF fence lines
- Technology area issue examples
  - Solar- concentrating solar impacts, glare
  - Wind- radar interference, noise, reliability
  - Waste to Energy location and truck traffic/safety, pest control
  - Geothermal expense, potential icing issues





# Other Air Force Strategies

- While maintaining execution of known projects, during FY11:
- Coordinate AF best practices and guidance to implement
  - Roof mounted PV arrays
  - Solar PV parking shelters
- Evaluate landfill gas sites
- Investigate any opportunities for wastewater gas capture and use
- Refine targeting for Net Zero feasible AF installations and establish base RE goals based on potential
  - "A net zero energy military installation produces as much energy onsite from renewable energy generation or through the on-site use of renewable fuels, as it consumes in its buildings, facilities, and fleet Vehicles." Net Zero Energy Military Installations: A Guide to Assessment and Planning Booth, Barnett, Burman, Hambrick, and Westby (NREL)